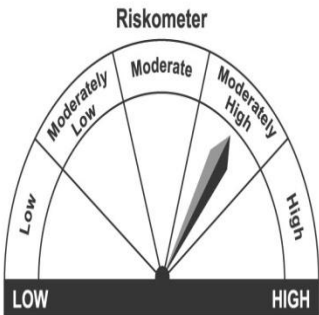


Reliance Index Fund - Nifty Plan

(An Open Ended Index Linked Scheme)

Product Label	
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • long term capital growth • investment in equity and equity related securities and portfolios replicating the composition of the NIFTY, subject to tracking errors. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Riskometer</p>  <p>LOW HIGH</p> <p>Investors understand that their principal will be at Moderately High risk</p>

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Reliance Nippon Life Asset Management Limited (RNLAM) is one of the largest asset managers with over 20 years of experience in managing wealth of investors with a robust distribution network in India and a global reach through its various subsidiaries.

What does Index Fund mean ?

- Index funds are mutual fund schemes that endeavors to track/replicate the constituents of the target index
- Index Funds generally hold securities in the same proportion as the target index
- Index Funds are passively managed funds :
 - There is no active selection of stocks by the Fund Manager
 - The portfolio is rebalanced periodically only when companies enter/exit the index
- The expense ratio of index funds are generally less than actively managed equity funds
- Index funds in India, generally track the two major broad based indices i.e Nifty 50 & BSE Sensex Indices

Reasons to Invest Index Fund?

- Index funds are the simplest of the mutual fund products to understand, even for a layman who just has a vague idea about the equity markets
- Provides an opportunity to participate in India growth story by investing in well-diversified portfolio of fundamentally strong, highly liquid, well known companies
- Index funds aims to minimize unsystematic risk(risk pertaining to companies, sectors etc) of an investor's portfolio to a certain extent
- Performance of the portfolio is generally in tune with the performance of the target index
- Any variation in performance (known as tracking error) is generally due to the % of cash allocation & expenses of the fund
- Lower management fees & lower portfolio turnover makes it cost efficient

Reliance Index Fund - Nifty Plan

Positioning

- A Conservative Large Cap Oriented Index Linked Fund which endeavors to provide regular income in form of defined dividend frequency
- The fund will aim to charge relatively low expense as compared to other actively managed equity funds
- Passively managed funds which aims to mirror Nifty 50 index so as to commensurate with the performance of the underlying Index, subject to tracking errors
- Ideal for those investors who would like to participate in the India growth story by investing in well-diversified portfolio of well known large cap companies

Investment Objective Reliance Index Fund - Nifty Plan

The investment objective of the scheme is to replicate the composition of the NIFTY Index, with a view to generate returns that are commensurate with the performance of Nifty. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved.

Benefits of Investing in Reliance Index Fund – Nifty Plan

- **Nifty 50 Index is one of the best market representatives of Indian Markets:** Largest traded index in India and among the top 5 traded indices in the world
- **Diversification:** Buying a single unit currently offers diversification of 50 stocks across 11 broad sectors
- **Transparency:** Nifty 50 Index constituents are made available in public domain on a daily basis by NSE
- **Hedging option available:** The Index has a derivative listed on NSE called “NIFTY” which can be utilized to hedge the investment during extreme volatility
- **Index track Record:** Base date Nov 1995, the index has a track record of 18 years

Nifty 50 index consist of the 50 most liquid stocks traded on the National Stock Exchange

Source: NSE & IISL

Why Invest in Nifty 50?

Nifty 50 forms the representation of Indian Equity market with 50 stocks across 23 sectors comprising about 70% of total capitalization of stocks listed on NSE. It is one of the most traded index in the world and the top traded derivative index in India. Though we have witnessed the run of on Nifty in the last month, there are various factors which support the Indian growth story in the coming few years:

- **Improving Indian Macros:** Despite huge Volatility in markets there are strong fundamentals favoring Indian macros like current and fiscal deficit trending lower , subsidy burden falling , inflation at multi-year lows and a falling interest rate environment.
- **Weak Oil Prices:** The recent oil price decline is supportive for most major economies, including a number of emerging markets.
- **Interest Rate:** If the interest rate in India stabilizes and starts moving down, it can substantially affect the investment pattern

*Sources: Bloomberg, BofAML Global Research estimates, World Bank, CSO, RBI, Ministry of Finance, NSSO, MOSPI, Government of India, Ministry of Industry, IMF, RMF Internal Research

Current Valuations

- The P/E , P/B and dividend yield of Nifty 50 Index are as follows:

	Index Level	P/E	P/B	Dividend Yield
01-Apr-96 (Launch Date)	807.26	11.62	2.07	1.83
11-Feb-00 (High Valuation)	1756.00	28.47	5.11	0.9
21-Oct-08 (Low Valuation)	2524.20	10.68	2.12	2.24
31- August-16 (At Present)	8786.2	24.09	3.36	1.22

Note: Though Nifty 50 Index has been launched on 01-Apr-96, the actual base dates of Nifty 50 Index is 03-Nov-95 and the financial data available from 03-Jul-90. The historical index values are available on www.nseindia.com. The above dates are taken only for illustration purpose which suggests that even though absolute levels of Nifty 50 Index increased, valuations are almost at the same levels or cheaper. Past performance may or may not be sustained in future. Investors are advised to consult their financial advisor before making any investment.

Source: RMF Internal Research; and MFI (as on 31st Aug 2016)

Price-to-Earnings Ratio (P/E ratio): A ratio used for valuing a company that measures its current share price relative to its per-share earnings.

Price to Book Value (PB ratio): A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

Dividend Yield: A financial ratio that shows how much a company pays out in dividends each year relative to its share price.

About the Nifty 50 Index

- The Nifty 50 is a well-diversified 50 stock index accurately reflecting overall market conditions. The reward-to-risk ratio of Nifty 50 is higher than other leading indices, making it a more attractive portfolio hence offering similar returns, but at lesser risk.
- Launched on April 1996 and base date of November 03, 1995 indexed to a base value of 1,000
- **Selection Criteria:** The criteria for the Nifty 50 Index include the following:
 - Market impact cost is the best measure of the liquidity of a stock. It accurately reflects the costs faced when actually trading an index. For a stock to qualify for possible inclusion into the Nifty 50, have traded at an average impact cost of 0.50% or less during the last six months for 90% of the observations, for the basket size of Rs. 20 Million
 - The company should have an investable weight factor (IWF) of at least 10%
 - The company should have a listing history of 6 months
 - A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 3 month period instead of a 6 month period

Source: NSE & IISL

Top 10 Constituents of Reliance Index Fund - Nifty Plan as on 31th August , 2016

Stock	Allocation %
HDFC BANK LIMITED	8.00
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	6.87
ITC LIMITED	6.80
INFOSYS LIMITED	6.39
RELIANCE INDUSTRIES LIMITED	5.41
ICICI BANK LIMITED	4.63
TATA CONSULTANCY SERVICES LIMITED	4.13
LARSEN & TOUBRO LIMITED	3.83
TATA MOTORS LIMITED	3.21
AXIS BANK LIMITED	3.08

Note: The stocks mentioned forms a part of the portfolio of the scheme and may or may not form a part of the portfolio in future. Please read Scheme Information Document carefully for more details and risk factors.

Source: RMF Website

Scheme Features of Reliance Index Fund - Nifty Plan

Nature of Scheme	An Open Ended Index Linked Scheme
Benchmark	Nifty 50
Fund Manager	Omprakash Kuckian (w.e.f 01/09/2015)
Inception Date	28/09/2010
Asset Allocation	Securities constituting Nifty 50 Index : 95%-100% Money Market instruments including CBLO (with maturity not exceeding 91 days): 0%-5%
Choice of Plans & Options	(a) Growth Plan (1) Growth Option (b) Dividend Plan (Payout Option & Reinvestment Option) (1) Quarterly Dividend Option (2) Half Yearly Dividend Option (3) Annual Dividend Option
Load Structure	Entry Load: Nil Exit Load: <ul style="list-style-type: none"> 0.25% of the applicable NAV if redeemed or switched out on or before completion of 7 days from the date of allotment of units There shall be no exit load after completion of 7 days from the date of allotment of units <i>In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 01, 2009. Similarly, no entry load will be charged with respect to applications for registrations under systematic investment plans/ systematic transfer plans accepted by the Fund with effect from August 01, 2009.</i>
Minimum Application Amount	Minimum Purchases : Rs. 5000 and in multiples of Rs. 1 Additional Purchases : Rs. 1000 and in multiples of Rs. 1 thereafter

Scheme specific risk factors: The scheme invests in equity instrument and hence carries risk inherent in equities. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments. Investment in Money Market is subject to liquidity, credit, interest rate & reinvestment risk. For further Scheme specific risk factors, please refer the scheme information document.

Disclaimers

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.